

**Taxis Committee – 28<sup>th</sup> April 2010**

**Report of the Director of Corporate Resources**

**Objections to Licence Fees**

**Purpose of Report**

1. To consider the objections made by the Private Hire Association and Dudley Taxi Alliance to the revision of licence fees charged in relation to Private Hire Operator and Private Hire Vehicle and Hackney Carriage Licences resolved by the Taxis Committee at their meeting on the 10<sup>th</sup> of February 2010.

**Background**

2. The fees for private hire operator, private hire and hackney carriage vehicle licences administered by the Committee were last revised with effect from April 2009.
3. Fees received in respect of private hire and hackney carriage licences are not refunded if the application is withdrawn or refused.
4. On the 10<sup>th</sup> of February 2010 the committee considered a joint report of the Director of Corporate Resources and the Interim Director of Finance on the proposed revision of fees for private hire and hackney carriage licences administered by the Committee.
5. The financial information contained within that report was that the budget strategy for 2010/11 assumed an increase of 2 %.
6. In considering the revision of licence fees, the Committee took into account the comparable fees charged by neighbouring Councils.
7. Column (1) in Table A below represents the fees currently charged.

Column (2) to (5) show the effect of fees of various increases between 2% and 5%; the budget for 2010-11 has been set based on 2% (ie. Column (2)). The following table shows the 2010/11 budget requirement (being £415,000) against current and previous year taxi licensing income:

Actual (£'000)			Budget (£'000)
07/08	08/09	09/10 (forecast)	10/11
394	413	407	415*

\* Note: the budget 2010/11 represents a 2% increase on our forecast 09/10 income levels.

**TABLE A**

	Fees currently charged	Increase @ 2%	Increase @ 3%	Increase @ 4%	Increase @ 5%
Hackney Carriage Vehicle	203.10	207.16	209.19	211.22	213.25
Plate	36.05	36.77	37.13	37.49	37.85
Bracket	13.50	13.77	13.90	14.04	14.17
Vehicle Retest	43.69	44.56	45.00	45.44	45.87
4/6 months test	134.97	137.67	139.02	140.37	141.72
Private Hire Vehicle	203.10	207.16	209.19	211.22	213.25
Plate	36.05	36.77	37.13	37.49	37.85
Bracket	13.50	13.77	13.90	14.04	14.17
Vehicle Re-test	43.69	44.56	45.00	45.44	45.87
4/6 months test	134.97	137.67	139.02	140.37	141.72
Mid term vehicle licence production of insurance	31.36	31.99	32.30	32.61	32.92
Admin fee if application not made 48 hrs before enquiry	43.26	44.12	44.56	44.99	45.42
Cancelled Lister Road	84.14	85.82	86.66	87.51	88.34
Admin Fee	32.45	33.00	33.42	33.74	34.07
CRB	51.91	52.95	53.46	53.99	54.50
Private Hire Driver Grant	174.58	178.00	179.81	181.56	183.30
Badge Deposit	9.27	9.46	9.55	9.64	9.73
Renewal	105.37	107.47	108.53	109.58	110.64
Hackney Carriage Driver Grant	174.58	178.00	179.81	181.56	183.30
Badge Deposit	9.27	9.46	9.55	9.64	9.73
Renewal	105.37	107.48	108.53	109.58	110.64
Hackney Carriage/Private Hire driver applied together	220.01	224.41	226.61	228.81	231.01
Renewal	145.38	148.29	149.74	151.19	152.65
Badge Deposits	21.63	22.06	22.28	22.50	22.71
Private Hire Operator	368.79	376.17	379.85	383.54	387.23
Renewal	368.79	376.17	379.85	383.54	387.23
Repeat Knowledge/Driving Test	68.13	69.49	70.17	70.86	71.54
Disabled Training Course Fee	23.79	24.27	24.50	24.74	24.98
Disabled Training Course Admin	5.41	5.52	5.57	5.63	5.68
Disabled Course – Non-attendance fee	8.11	8.27	8.35	8.43	8.52
Special Events Vehicle	283.99	289.67	292.51	295.35	298.19
Retest	67.37	68.72	69.39	70.07	70.74
Plate	37.85	38.60	38.98	39.36	39.74

8. The Council is only permitted to set licensing fees for taxis and hackney carriages up to the amount that can be ascertained as being the cost of administering the licensing function. This includes enforcement, administration and ancillary costs relating to members meeting to determine certain licensing applications.
9. The cost of licence and administration stated in this report includes the enforcement and administrative costs of processing all licences including gaming and liquor but does not include any costs relating to Members.
10. Having given careful consideration to all the information the Committee resolved that approval be given to an increase in respect of the fees for private hire and hackney carriage licences, of 2%, as set out in Table A of the submitted report.
11. In pursuance of the Local Government (Miscellaneous Provisions) Act 1976 Section 70, a notice was posted in the Express and Star on the 26<sup>th</sup> of February 2010 setting out the proposed variation of fees in respect of the :-
  1. Grant of Hackney Carriage Vehicle Licence
  2. Grant of Private Hire Vehicle Licence.
  3. Grant of Private Hire Operator's Licence.

And inviting anyone who has objections to the variation of the above fees to make them in writing to the Director of Corporate Resources.

12. On the 23<sup>rd</sup> of March 2010 a letter was received from the Dudley Taxi Alliance and the Private Hire Association giving notice that they wished to lodge formal objections to the variation of fees as set out in paragraph 13 of this report together with a schedule of enquiries.
13. A combined written response from the Group Accountant and the Licensing Officer was sent to the Dudley Taxi Alliance and the Private Hire Association on the 30<sup>th</sup> of March 2010 requesting written formal objections by the 15<sup>th</sup> of April 2010. Copies of these two letters are attached as appendix 1 to this report.
14. The formal objection to the variation of fees was received on the 16<sup>th</sup> April 2010 and is attached to this report as Appendix 2.

15. The financial implications in respect of the fees for private hire and hackney carriage licensing (set out in Table A) are outlined below. For information, the budget strategy 2010/11 assumes an increase of 2%.

	Licensing Administration and other licensing	Hackney Carriage/Private Hire			
	£'000	£'000	£'000	£'000	£'000
Fee increase option:		2%	3%	4%	5%
Cost of licensing function:					
Salaries	434				
Other	86	111			
Internal recharge*	-410	410			
<b>Gross costs</b>	<b>110</b>	<b>521</b>			
Licensing Income:					
Taxis		(415)	(419)	(423)	(427)
Street trading	(10)				
Betting and Gaming	(5)				
Gambling Act	(42)				
Liquor	(245)				
Contributions					
Dudley College	(15)				
Children's Directorate (internal only)	(37)				
<b>Sub Total 'Income'</b>	<b>(354)</b>	<b>(415)</b>	<b>(419)</b>	<b>(423)</b>	<b>(427)</b>
<b>Net cost/(surplus)</b>	<b>(244)</b>	<b>106</b>	<b>102</b>	<b>98</b>	<b>94</b>

\* the licensing administrative team supports all licensing functions. The above recharge represents an internal adjustment to demonstrate our estimated administrative cost for supporting (specifically) the taxi licensing role (estimated to be 80%), and to show more clearly the full cost of the taxi licensing service.

16. The above shows that the Council currently subsidises the taxi licensing function by approximately £100k per annum (exact amount dependent on the percentage increase decided by the Committee). The cost of licence administration is included in the Corporate Resources budget.

## Law

17. Part II of the Local Government (Miscellaneous Provisions) Act 1976 regulates the grant of Private Hire and Hackney Carriage Licences.
18. In pursuance of Section 70 of the Local Government (Miscellaneous Provisions) Act 1976:
- (1) Subject to the provisions of subsection (2) of this section, a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part-

- (a) the reasonable cost of carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;
  - (b) the reasonable cost of providing hackney carriage stands; and
  - (c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.
- (2) The fees chargeable under this section shall not exceed-
- (a) for the grant of a vehicle licence in respect of a hackney carriage, twenty-five pounds;
  - (b) for the grant of a vehicle licence in respect of a private hire vehicle, twenty-five pounds; and
  - (c) for the grant of an operator's licence, twenty-five pounds per annum;
- or in any such case, such other sums as a district council may, subject to the following provisions of this section, from time to time determine.
- (3) (a) If a district council determine that the maximum fees specified in subsection (2) of this section should be varied they shall publish in at least one local newspaper circulating in the district a notice setting out the variation proposed, drawing attention to the provisions of paragraph (b) of this subsection and specifying the period, which shall not be less than twenty-eight days from the date of the first publication of the notice, within which and the manner in which objections to the variation can be made.
- (b) A copy of the notice referred to in paragraph (a) of this subsection shall for the period of twenty-eight days from the date of the first publication thereof be deposited at the offices of the council which published the notice and shall at all reasonable hours be open to public inspection without payment.
- (4) If no objection to a variation is duly made within the period specified in the notice referred to in subsection (3) of this section, or if all objections so made are withdrawn, the variation shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objection or, if more than one, of the last objection, whichever date is the later.

- (5) If objection is duly made as aforesaid and is not withdrawn, the district council shall set a further date, not later than two months after the first specified date, on which the variation shall come into force with or without modification as decided by the district council after consideration of the objections.
- (6) A district council may remit the whole or part of any fee chargeable in pursuance of this section for the grant of a licence under section 48 or 55 of this Act in any case in which they think it appropriate to do so.

### **Equality Impact**

19. The proposals take into account the Council's policy in relation to equal opportunities.
20. There has been no consultation or involvement of children and young people in developing these proposals.

### **Recommendation**

21. That the Committee consider the objections submitted by the Dudley Taxi Alliance and the Private Hire Association in relation to the increase of licence fees resolved by the committee at their meeting of the 10<sup>th</sup> of February 2010.



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### **List of Background Papers**